

**Commonwealth of Kentucky  
Personnel Cabinet  
Department for Employee Insurance**

**Supplement (Revised 10/22/2004)  
Health Insurance Handbook  
Active and Retiree Handbook**

**Plan Year 2005**

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<http://personnel.ky.gov/dei.htm>



Based on the changes made to the Public Employee Health Insurance Program during the 2004 Extraordinary Session, the Personnel Cabinet would like to provide you with the following information. This is a supplement to the 2005 Health Insurance Handbook. Please use this supplement in conjunction with the 2005 Health Insurance Handbook.

The Department for Employee Insurance's Member Services Branch staff will be available from 7:30 a.m. – 6:30 p.m. to assist with any questions that you may have. The Member Services Branch can be reached by calling 888-581-8834 or (502) 564-6534.

## WHAT IS NEW OR CHANGING?

**Page 8** of the 2005 Health Insurance Handbook.

### **Disregard:**

Third paragraph – “Your salary is a factor in determining your contribution.....”

Fifth paragraph – “The covered benefits have not changed for 2005.....”

Sixth paragraph – “The Commonwealth will offer three (3) Preferred Provider.....”

### **Insert:**

- The Commonwealth will offer three (3) Preferred Provider Organization (PPO) options – Commonwealth Essential, Commonwealth Enhanced and Commonwealth Premier. For a summary of each option, refer to pages 6 - 10 of this supplement.
- The cross-reference payment option will be available for 2005. For information regarding the cross-reference payment option contribution, refer to page 5 of this supplement.
- **75 Prescription Rule for the Commonwealth Enhanced and the Commonwealth Premier Options only** – When an employee's health insurance contract has paid seventy-five (75) co-payments/co-insurances in a calendar year for prescription drugs – excluding mail order prescriptions, additional co-payments/co-insurance for retail prescription drugs received during that plan year by any person covered under that contract will be reduced to a \$5 co-pay for Generic, a \$10 co-pay for Preferred Brand and a \$20 co-pay for Non-Preferred Brand. This reduction may be approved at the point of sale or through reimbursement to the covered person no later than thirty-one (31) days after the end of the plan year. Check with your carrier for the individual reimbursement policies.

**Page 10** of the 2005 Health Insurance Handbook.

**Disregard:**

First paragraph – “Because the Commonwealth is contributing.....”

Second paragraph – “If you elect to waive your health insurance coverage.....”

## OPEN ENROLLMENT DATES

**Page 11** of the 2005 Health Insurance Handbook.

**Disregard:**

Entire section regarding Open Enrollment Dates.

**Insert:**

**Active Employees** – If you are an active employee, your Open Enrollment will be October 25, 2004 – November 5, 2004. **The deadline to submit your application to your agency’s health insurance coordinator is November 5, 2004.**

**Retirees and COBRA participants** – If you are a retiree or a COBRA participant, your Open Enrollment will be October 25, 2004 – November 5, 2004. **The deadline to submit your application is November 5, 2004.**

**Retirees** – you must submit your application to your respective retirement system.

**COBRA participants** – you must submit your application to your prior agency’s insurance coordinator.

**Processing Note:**

1. Complete and sign your application by November 5, 2004
2. Take/Send your application to your agency’s insurance coordinator by November 5, 2004
3. Insurance coordinator processes application
4. Insurance coordinator sends to Department for Employee Insurance (DEI)
5. DEI processes application
6. DEI sends application to carriers
7. Carriers process and mail identification cards to employees

All applications received by the health insurance carriers on or before **December 10, 2004** will receive identification cards by January 1, 2005. Therefore, it is critical that you

complete your application as early as possible and that your insurance coordinator forwards your application for processing as quickly as possible.

Applications will be processed in the order they are received.

**Failure to complete and sign your application by November 5, 2004 may result in your inability to have coverage on January 1, 2005.**

## **BENEFIT FAIRS**

**Pages 12 – 13** of the 2005 Health Insurance Handbook.

**Disregard:**

Benefit Fair schedule on pages 12 – 13.

**Insert:**

KET will broadcast a benefit update throughout Open Enrollment. Check your local listings.

## **PREMIUM/CONTRIBUTION INFORMATION**

**Page 15** of the 2005 Health Insurance Handbook.

**Disregard:**

Entire section entitled “Salary Bands”

**Pages 16 – 17** of the 2005 Health Insurance Handbook.

**Disregard:**

Employee Contribution Schedule – With Discount  
Employee Contribution Schedule – Without Discount

**Insert:**

**Employee Contributions:**

**Non-Smoker**

	Single	Parent Plus	Couple	Family	Family Cross-Reference
Commonwealth Essential	Not offered	\$55.00	\$259.52	\$320.14	\$0
Commonwealth Enhanced	\$0.00	\$114.00	\$357.72	\$429.24	\$9.72*
Commonwealth Premier	\$18.20	\$170.38	\$398.66	\$474.74	\$33.08*

\*Contribution is per employee

**Smoker**

	Single	Parent Plus	Couple	Family	Family Cross-Reference
Commonwealth Essential	Not offered	\$85.00	\$289.52	\$350.14	\$15.00*
Commonwealth Enhanced	\$15.00	\$144.00	\$387.72	\$459.24	\$24.72*
Commonwealth Premier	\$33.20	\$200.38	\$428.66	\$504.74	\$48.08*

\*Contribution is per employee

**Insert:**

**Premiums:**

		Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8
Commonwealth Essential	Single	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Couple	713.99	730.17	679.76	728.04	722.08	854.46	762.48	690.80
	Parent Plus	476.00	486.78	453.20	485.36	481.36	569.64	508.32	460.54
	Family	793.33	811.30	755.32	808.92	802.28	949.40	847.20	767.56
Commonwealth Enhanced	Single	403.28	412.53	394.80	403.96	400.64	496.28	447.52	405.44
	Couple	907.38	928.19	888.28	908.92	901.44	1,116.53	1,006.92	912.24
	Parent Plus	604.92	618.80	592.28	605.96	600.96	744.28	671.28	608.16
	Family	1,008.20	1,031.33	987.02	1,009.92	1,001.60	1,240.52	1,118.80	1,013.60
Commonwealth Premier	Single	412.47	421.95	407.48	422.16	418.64	512.16	474.88	430.24
	Couple	928.06	949.39	916.80	949.88	941.96	1,152.40	1,068.48	968.04
	Parent Plus	618.71	632.93	611.24	633.24	627.96	768.28	712.32	645.36
	Family	1,031.18	1,054.88	1,018.72	1,055.40	1,046.60	1,280.44	1,187.20	1,075.60

**Pages 20 – 22** of the 2005 Health Insurance Handbook.

**Disregard:**

The Benefits Grid

**Insert:**

The following Benefits grids:

**Commonwealth Essential Benefits Grid**

Covered Services	Commonwealth Essential	
	In-network	Out-of-Network
Annual Deductible	Single - \$750 Family - \$1,500	Single - \$1,500 Family - \$3,000
Out-of-pocket maximum (excludes prescription drug expenses and emergency room co-payments)	Single - \$3,500 Family - \$7,000	Single - \$7,000 Family - \$14,000
Lifetime maximum	Unlimited	
In-hospital care – provider services, inpatient care, semi-private room, transplant coverage (kidneys, cornea, bone marrow, heart, liver, lungs, heart and lung, and pancreas, or mental health and chemical dependency services	25%*	50%*
Outpatient services – physician or mental health provider office visits, diagnostic and allergy testing, allergy serum and injections, diabetes education and therapy; injections, lab fees, X-rays; and mental health or chemical dependency services (members cost includes all services performed on the same day/same site).	25%*	50%*
Diagnostic testing – laboratory tests, X-rays and other radiology or imaging services; and ultrasound and approved machine testing services performed for the purpose of diagnosing an illness or	25%*	50%*

Covered Services	Commonwealth Essential	
	In-network	Out-of-Network
injury (members cost includes all services performed on the same day/same site).		
Ambulatory hospital and outpatient surgery services – outpatient surgery services, including biopsies, radiation therapy, renal dialysis, chemotherapy, and other outpatient services not listed under diagnostic testing performed in a hospital or other ambulatory center other than a physician's office.	25%*	50%*
Preventive care – annual gynecological exam, well child care, and routine physical early detection tests, subject to age and periodicity limits.	Plan pays 100% up to a maximum of \$200 per covered individual. Plan pays 100% of eligible immunizations.	
Emergency services		
Emergency room treatment (Emergency room co-pay waived if admitted).	\$50 co-pay plus 25%*	\$50 co-pay plus 50%*
Emergency room physician charges	25%*	50%*
Urgent care center treatment	25%*	50%*
Ambulance services	25%*	50%*
Maternity care – prenatal care, labor, delivery, postpartum care, and one ultrasound per pregnancy. Additional ultrasounds subject to prior plan approval.	25%*	50%*
Prescription drugs – Retail (30 day supply)	25%	
	Min	Max
	\$10	\$25
	\$20	\$50
Generic	\$35	\$100
Preferred Brand		
Non-preferred Brand		
Prescription drugs – Mail Order (90 day supply)	25%	
	Min	Max
	\$20	\$50
	\$40	\$100
Generic	\$70	\$200
Preferred Brand		
Non-preferred Brand		
Audiometric services in conjunction with a disease, illness or injury	25%*	50%*
Chiropractic services – limited to 26 visits per year, with no more than one visit per day	25%*	50%*

Covered Services	Commonwealth Essential	
	In-network	Out-of-Network
Autism Service		
Rehabilitative and therapeutic care services	25%*	50%*
Respite care for children ages two through 21 (\$500 maximum per month)	25%*	50%*
Hospice care – subject to precertification by the plan	Covered the same as under the federal Medicare program	
Durable Medical Equipment	25%*	50%*
Prosthetic devices	25%*	50%*
Home health – limited to 60 visits per year	25%*	50%*
Physical therapy – limited to 30 visits per year	25%*	50%*
Occupational therapy – limited to 30 visits per year	25%*	50%*
Cardiac rehabilitation therapy – limited to 30 visits per year	25%*	50%*
Speech therapy – limited to 30 visits per year	25%*	50%*
Skilled nursing facility services – limited to 30 days per year	25%*	50%*
Hearing aids – individuals under 18 years of age, limited to one per ear every three years and a maximum benefit of \$1,400 per ear	25%*	50%*

\*services subject to deductible



## Commonwealth Enhanced and Commonwealth Premier Benefits Grid

Covered Services	Commonwealth Enhanced		Commonwealth Premier	
	In-network	Out-of-Network	In-network	Out-of-Network
Annual Deductible (excludes office visit co-pay, preventive care services, outpatient diagnostic testing, urgent care center, prescription drugs, chiropractic services and hospital emergency room services)	Single - \$250 Family - \$500	Single - \$500 Family - \$1,000	Single - \$250 Family - \$500	Single - \$500 Family - \$1,000
Out-of-pocket maximum (excludes prescription drug co-pays, office visits, hospital emergency room visits and urgent care services)	Single - \$1,250 Family - \$2,500	Single - \$2,500 Family - \$5,000	Single - \$1,000 Family - \$2,000	Single - \$2,000 Family - \$4,000
Lifetime maximum	Unlimited		Unlimited	
In-hospital care – provider services, inpatient care, semi-private room, transplant coverage (kidneys, cornea, bone marrow, heart, liver, lungs, heart and lung, and pancreas), and mental health and chemical dependency services	20%*	40%*	10%*	30%*
Outpatient services – physician or mental health provider office visits, diagnostic and allergy testing, allergy serum and injections, diabetes education and therapy, well child care, immunizations, injections, lab fees, x-rays; and mental health or chemical dependency services (members cost includes all services performed on the same day/same site).	\$10 co-pay	40%*	\$10 co-pay	30%*
Outpatient diagnostic testing – laboratory tests, x-rays and other radiology or imaging services; and ultrasound and approved machine testing services performed for the purpose of diagnosing an illness or injury (members cost includes all services performed on the same day/same site).	\$10 co-pay	40%*	\$10 co-pay	30%*
Ambulatory hospital and outpatient surgery services – outpatient surgery services, including biopsies, radiation therapy, renal dialysis, chemotherapy, and other outpatient services not listed under diagnostic testing performed in a hospital or other ambulatory center other than a physician's office.	20%*	40%*	10%*	30%*
Preventive care – annual gynecological exam, routine physical and early detection tests, subject to age and periodicity limits.	\$10 co-pay per visit	40%*	\$10 co-pay per visit	30%*
	\$400 maximum benefit per covered individual per plan year		\$400 maximum benefit per covered individual per plan year	
Emergency services				
Emergency room treatment (Emergency room co-pay waived if admitted).	\$50 co-pay plus 20%	\$50 co-pay plus 40%	\$50 co-pay plus 10%	\$50 co-pay plus 30%*
Emergency room physician charges	20%	40%	10%	30%*
Urgent care center treatment	\$20 co-pay	40%*	\$20 co-pay	30%*
Ambulance services	20%*	20%*	10%*	30%*
Maternity care – prenatal care, labor, delivery, postpartum care, and one ultrasound per pregnancy. Additional ultrasounds subject to prior plan approval. Office visit co-pay is limited to the office visit in which pregnancy is diagnosed. Thereafter, no co-pay required.	\$10 co-pay	40%*	\$10 co-pay	30%*
	in-hospital care co-insurance applies*		in-hospital care co-insurance applies*	

Covered Services	Commonwealth Enhanced		Commonwealth Premier	
	In-network	Out-of-Network	In-network	Out-of-Network
Prescription drugs – Retail (30 day supply)				
Generic	\$10**	40%	\$10**	30%
Preferred Brand	\$15**	40%	\$15**	30%
Non-preferred Brand	\$30**	40%	\$30**	30%
Prescription drugs – Mail Order (90 day supply)				
Generic	\$20		\$20	
Preferred Brand	\$30		\$30	
Non-preferred Brand	\$60		\$60	
Audiometric services in conjunction with a disease, illness or injury	50%*	50%*	10%*	30%*
Chiropractic services – limited to 26 visits per year, with no more than one visit per day	\$10 co-pay	40%*	\$10 co-pay	30%*
Autism Service				
▪ Rehabilitative and therapeutic care services	\$10 co-pay	40%*	\$10 co-pay	30%*
▪ Respite care for children ages two through 21 (\$500 maximum per month)	50%*	50%*	10%*	30%*
Hospice care – subject to precertification by the plan	Covered the same as under the federal Medicare program		Covered the same as under the federal Medicare program	
Durable Medical Equipment	20%*	40%*	10%*	30%*
Prosthetic devices	20%*	40%*	10%*	30%*
Home health – limited to 60 visits per year	20%*	40%*	10%*	30%*
Physical therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Occupational therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Cardiac rehabilitation therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Speech therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Skilled nursing facility services – limited to 30 days per year	20%*	40%*	10%*	30%*
Hearing aids – individuals under 18 years of age, limited to one per ear every three years and a maximum benefit of \$1,400 per ear	20%*	40%*	10%*	30%*

\*subject to annual deductible

\*\* After the 75<sup>th</sup> prescription has been filled, excluding mail order, the co-payment will reduce to \$5 generic, \$10 preferred brand and \$20 non-preferred brand.

## Corrections and/or Clarifications of the 2005 Health Insurance Handbook

**Page 24** of the 2005 Health Insurance Handbook.

**Disregard:**

For the Commonwealth Enhanced and Commonwealth Premier only the last bullet of the section entitled “Co-Insurance and Out-of-pocket Maximums.”

**Insert**

For the Commonwealth Enhanced and Commonwealth Premier only “Co-pays for office visits, prescription drugs, and emergency room visits do not apply to the maximum out of pocket limit.”

**Page 25** of the 2005 Health Insurance Handbook.

**Disregard:**

Third bullet – “Your out-of-pocket cost per year is limited. Once your.....”

**Insert:**

Your out-of-pocket cost per year is limited. Once your deductible and co-insurance total the annual out-of-pocket maximum, benefits (excluding office visit co-pays, prescription drug co-pays and/or co-insurance and emergency room co-pays) are paid at 100% for the remainder of the year.

**Page 26** of the 2005 Health Insurance Handbook.

**Disregard:**

The information in the section entitled “Prescription Drug Coverage.”

**Insert:**

**Prescription Drug Coverage**

If you request a brand name drug when a generic drug is prescribed, you will pay the brand name **co-pay/co-insurance** plus the cost difference between the brand name and the **generic drug**.

The **co-pay/co-insurance** for prescription drugs purchased at a retail pharmacy applies to each one-month or 30-day supply.

Each health insurance carrier has an established list of preferred drugs (**formulary**). This **formulary** is subject to change during the Plan Year. Decisions for inclusion on the preferred list are based on the drug's safety, effectiveness and cost. Some drugs require prior authorization before the carrier will cover any of the cost. **Remember, this preferred drug list varies by carrier and is subject to change during the year.**

The prescription drug benefit offered by most plans usually covers FDA approved **generic drugs**, as well as many brand name drugs. Usually, several "non-preferred" medications are available without prior authorization upon payment of an additional **co-pay/co-insurance**. Each plan has certain drugs that, due to the nature of the medication, require prior authorization before the plan will cover any portion of the cost. These drugs are not automatically available. In most instances, only physicians may request prior authorizations as they are based on your medical history. Some plans also establish drug use guidelines in an effort to promote the appropriate use of certain medications. These guidelines may require you to try a drug that has been in use for a longer time before the plan will approve payment for a new and perhaps more expensive alternative.

Prescription drugs for the treatment of non-covered medical services are not covered under the plan.

**Pages 28 and 30** of the 2005 Health Insurance Handbook.

**Disregard:**

The charts. The chart on page 29 is accurate.

**Page 39** of the 2005 Health Insurance Handbook.

**Disregard:**

The section entitled "Waiving coverage and directing state money to a Health Care Flexible Spending Account" with the following information:

**Insert:**

**Waiving coverage and directing state money to a Health Care Flexible Spending Account**

If you waive your health insurance provided by the Commonwealth, you may be eligible to receive a \$234 employer contribution to direct into a Health Care Flexible Spending Account. However, in order to do so, you must enroll in a Flexible Spending Account.

- If you are a state employee, you are eligible for the Commonwealth Choice Health Care Flexible Spending Account. You must complete Section VI of the health insurance application.
- If you are an employee of any other agency, you may be eligible to direct the \$234 employer contribution to a Health Care Flexible Spending Account. Contact your agency's health insurance coordinator for more information.

**Retirees are not eligible for participation in a Flexible Spending Account Program.**

## Plan Codes

CARRIER	PLAN CODE
Anthem Blue Cross Blue Shield	463
Bluegrass Family Health	093
CHA Health	103
United Healthcare	323

## PHONE NUMBERS AND WEB SITES

Personnel Cabinet  
Department for Employee Insurance  
Member Services Branch  
(888) 581-8834  
(502) 564-6534  
<http://personnel.ky.gov/dei.htm>

Kentucky Retirement Systems  
(800) 928-4646  
(502) 564-4646 ext. 4520  
[www.kyret.com](http://www.kyret.com)

Kentucky Teachers' Retirement System  
(800) 618-1687  
(502) 848-8500  
<http://ktrs.ky.gov/medical.htm>

Judicial/Legislators Retirement Plans  
(502) 564-5310

Anthem Blue Cross Blue Shield  
(888) 650-4047  
[www.anthem.com](http://www.anthem.com)

Bluegrass Family Health  
(800) 787-2680  
(859) 269-4475  
[www.bgfh.com](http://www.bgfh.com)

CHA Health  
(800) 840-3885  
(859) 232-8686  
[www.cha-health.com](http://www.cha-health.com)

United Healthcare  
(866) 873-3903  
(866) 288-6684 (Operational as of 1/1/2005)  
[www.uhc.com](http://www.uhc.com)